



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

P.O. Box 41200 • Olympia, Washington 98504-1200
Telephone (360) 902-8703 • TDD (360) 664-8126 • FAX (360) 664-2258 • <http://www.dfi.wa.gov/cs>

January 7, 2003

Dear Consumer Loan Licensee:

I have enclosed two blank forms for you to use to complete your 2002 Consolidated Annual Report and your 2002 Annual Assessment Report. The information should be filed as of the year ended December 31, 2002.

RCW 31.04.155, the Consumer Loan Act (the Act) requires that the Consolidated Annual Report be filed with the Director of the Department of Financial Institutions (the Director) on or before March 1st, giving relevant information concerning the business and operations of the licensee in the State of Washington as of the preceding calendar year.

WAC 208-620-190(3) and WAC 208-620-220 (the rules) require that you file an Annual Assessment Report. The appropriate annual assessment fee, based on your company's "adjusted total loan value," should accompany your Annual Assessment Report. The information enabling you to complete this report is provided on the form entitled "Annual Assessment Report for Consumer Loan Companies."

There are two scenarios.

- 1) If, in the absence of your consumer loan license, your company would be required to have a mortgage broker license, your company has no alternative authority for the loans it has made and must pay the consumer loan assessment on ALL loans originated or brokered in Washington, including first mortgage loans.
- 2) If your company has both a consumer loan license and a mortgage broker license in Washington, then you are only required to pay the assessment on those loans made under the consumer loan license.

In accordance with RCW 31.04.175(1), a penalty of \$50.00 per day, for each report (for a total of \$100.00 per day), will be assessed for reports received in this office after March 1, 2003. The Department of Financial Institutions (the Department) has waived or reduced penalties for late filings the past two years. The Department found this practice appears to encourage licensees to file after the March 1st deadline; therefore the Department will discontinue the practice. **YOU ARE STRONGLY ENCOURAGED TO FILE YOUR 2002 CONSOLIDATED ANNUAL REPORT AND ANNUAL ASSESSMENT REPORT ON OR BEFORE FEBRUARY 28, 2003** (because the deadline of March 1st falls on Saturday when state offices are closed).

Consumer Loan Licensees
Annual Reports cover letter
January 7, 2003
Page Two

These reports must be filed with this Department, even if you did NO Washington business during 2002. If you have ceased operations for Washington State, please contact our Licensing Help Desk at (360)902-8756 for assistance with filing the proper closure documents.

Please submit a balance sheet and income statement when you file these reports. We prefer that the balance sheet and income statement be for Washington State business only. If these two documents are not available for Washington State business only, your company's consolidated balance sheet and income statement will be acceptable. An Annual Report received without a balance sheet and income statement may be considered incomplete and subject to the penalty of \$50.00 per day. All information required on the Annual Report applies only to loans originated in Washington State.

If you received this request in error, please forward it to the proper person (President, Manager, Treasurer) within your organization, and notify the Department of the correct contact.

Thank you in advance for your prompt attention to this matter. These forms are also available from our website at <http://www.dfi.wa.gov/cs/forms> for your convenience. Please contact the Consumer Services staff via e-mail at DCS@dfi.wa.gov or phone at (360) 902-8811, if you have any questions about these forms.

Sincerely,

Whittier Johnson
Program Manager

WJ:km

Enclosures



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2002 CONSUMER LOAN COMPANY ANNUAL ASSESSMENT REPORT

This report will be reconciled to the Consolidated Annual Report and accompanying financial reports.
See WAC 208-620-220(2) for authority.

Name of company as licensed in Washington: _____
Reports Due: March 1, 2003 Assessment for business conducted through December 31, 2002
A penalty of \$100.00 per day will be assessed if received by DFI after due date.
Reports must be filed even if you did NO business in Washington State during 2002.

Attach the actual supporting documentation used to complete this Consolidated Annual Report. These include:

- A Washington-State-business-only balance sheet OR trial balance
OR
 - A company-wide balance sheet AND Washington-only trial balance (or similar report)
- Any Consolidated Annual Report received without attached supporting documentation will be considered incomplete and therefore subject to the \$100 per day penalty listed above.*

ANSWER EVERY QUESTION OR WRITE IN "NONE"

Assessment Analysis of Dollar Volume of Business Conducted in Washington Under The Consumer Loan Act		Dollar Volume
1.	Principal Balance of Loans on December 31, 2002 (Line 3a of the Consolidated Annual Report)	\$
2.	Principal Balance of Loans with servicing released in 2002 (Line 2c of the Consolidated Annual Report)	\$
3.	Principal Balance of Loans with servicing retained (Add lines 2d and 2e of the Consolidated Annual Report)	\$
4.	Add lines 1, 2, and 3 (This is your "Adjusted Total Loan Value")	\$
5.	Multiply line 4 by .000180271, enter the total here, and pay this amount. (Round to the nearest cent, not to the nearest dollar) <i>Checks should be made payable to the "Washington State Treasurer"</i>	\$

I hereby certify under penalty of perjury that the information contained in this annual assessment report has been carefully examined by me and is correct and complete, and further acknowledge that there are no misrepresentations or omissions of material facts.

Prepared By: _____
Signature Date

Type or printed name of preparer Title

Phone: _____ Fax: _____ e-mail: _____

Instructions for completing the Annual Assessment Report

1. Principal Balance of loans on December 31, 2002. This is the total dollar amount of loans originated, funded, or purchased that are outstanding on and off the company's balance sheet as of December 31, 2002. Your accounting department should have these figures. This number should match the number on line 3a of the Consolidated Annual Report.

2. Principal Balance of Loans with servicing released in 2002. This is the total dollar amount of loans originated, funded, or purchased in 2002 that your company no longer services (for which your company no longer receives payments on behalf of others). The dollar amount should be the principal balances of the loans on the date of sale during 2002. The dollar amount entered here should match the dollar amount entered on line 2c of the Consolidated Annual Report.

3. Principal Balance of Loans with servicing retained. This is total dollar amount of loans sold with servicing rights retained at the time of the sale. These are loans that no longer are owned by your company but for which your company still services or receives payments on behalf of investors. The dollar amount entered on this line must equal the aggregate (sum) of the dollar amounts entered on lines 2d and 2e of the Consolidated Annual Report.

4. Adjusted total value. Add lines 1, 2, and 3 of the Annual Assessment Report.

5. Assessment Due. This number is the result of multiplying line 4 by the assessment factor of .000180271. This is the amount that should be paid as your assessment fee. **Please, make the check payable to The Washington State Treasurer.** **DO NOT MAKE ANY CHECKS PAYABLE TO THE DEPARTMENT OF FINANCIAL INSTITUTIONS.** Please, round this figure to the nearest cent. Rounding to the nearest dollar IS NOT ACCEPTABLE.

Attachments:

- Consolidated Annual Report with notarized affidavit and supporting documentation
- Check made payable to "Washington State Treasurer" (if any assessment is owed)



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2002 CONSUMER LOAN COMPANY CONSOLIDATED ANNUAL REPORT

Name of company as licensed in Washington: _____

Principal Office Address: _____

No. of locations holding WA licenses during 2002: _____ No. of offices covered by this report: _____

This consolidated annual report is to include all of the company's Washington State business in a single report.

Report Due to DFI: March 1, 2003 Annual Report for business conducted through December 31, 2002

A penalty of \$100.00 per day will be assessed if received by DFI after due date.

Reports must be filed even if you did NO business in Washington State during 2002.

Attach the actual supporting documentation used to complete this Consolidated Annual Report. These include:

- A Washington-State-business-only balance sheet OR trial balance
OR
- A company-wide balance sheet AND Washington-only trial balance (or similar report)

Any Consolidated Annual Report received without attached supporting documentation will be considered incomplete and therefore subject to the \$100 per day penalty listed above.

ANSWER EVERY QUESTION OR WRITE IN "NONE"

Analysis of Washington State Loans by Size and Number Under the Consumer Loan Act		Number of Accounts	Dollar Volume
1a.	Principal balance of all loans on December 31, 2001 (Line 3 from last year's report)		
1b.	Use line 1a to calculate "Dollar Volume" divided by "Number of Accounts." Enter the result here. _____ (This is the average principal balance of loans as of December 31, 2001.)	///////// ///////// /////////	///////// ///////// /////////
2a.	Unsecured or Secured by Security Agreement (personal property) (All WA loans originated, funded, or purchased during 2002)		
2b.	Secured by Real Estate (All WA loans originated, funded, or purchased during 2002)		
2c.	Loans in 2002 with servicing released (All WA loans originated, funded, or purchased during 2002)		
2d.	Loans during 2002 with servicing retained (All WA loans originated, funded, or purchased during 2002)		
2e.	Loans prior to 2002 with servicing retained (All WA loans originated, funded, or purchased during 2002)		
2f.	Loans that matured or paid out during the filing period (All WA loans originated, funded, or purchased during 2002)		
2g.	Add line 2a plus line 2b. Enter the totals in the respective "Number of Accounts" and "Dollar Volume" columns to the right. Use the numbers in line 2g to calculate "Dollar Volume" divided by "Number of Accounts." Enter the result here. _____ (This is the average size of loans made during 2002.)	_____ ///////// /////////	_____ ///////// /////////

2002 CONSUMER LOAN COMPANY CONSOLIDATED ANNUAL REPORT (page 2)

Name of company as licensed in Washington: _____

Analysis of Washington State Loans by Size and Number Under the Consumer Loan Act		Number of Accounts	Dollar Volume
3a.	Principal balance of all loans on December 31, 2002		
3b.	Use line 3a to calculate "Dollar Volume" divided by "Number of Accounts." Enter the result here. (This is the average principal balance of loans as of December 31, 2002.)	////////// ////////// //////////	////////// ////////// //////////
4.	Loans secured by Real Estate that were foreclosed during 2002		
5.	Loans secured by Real Estate in foreclosure on December 31, 2002		
6.	Real Estate loans charged against reserve for loan losses as a result of foreclosures during 2002		
7.	All other loans charged against reserve for loan losses during 2002		
8a.	Loans contractually delinquent 30 days or more at end of 2002		
8b.	Calculate "Dollar Volume" of line 3a divided by "Dollar Volume" of line 8a. Enter the result here. (This is the delinquent percentage of outstanding loans.)	////////// ////////// //////////	////////// ////////// //////////

I hereby certify under penalty of perjury that the information contained in this consolidated annual report and attached supporting documentation, has been carefully examined by me and is correct and complete, and further acknowledge that there are no misrepresentations or omissions of material facts.

Prepared By: _____
Signature
Date

Type or printed name of preparer
Title {President, Manager, Treasurer}

Phone: _____ **Fax:** _____ **e-mail:** _____

AFFIDAVIT for 2002 CONSUMER LOAN COMPANY CONSOLIDATED ANNUAL REPORT

I, _____ the undersigned being the President, Manager, or Treasurer
print name of company President, Manager, or Treasurer
circle correct title

of _____, a Washington licensed Consumer Loan Company,
print company name as licensed

swear (or affirm) that to the best of my knowledge and belief the statements contained in this report, including the accompanying schedules and statements (if any), are true and that the same is a true and complete statement in accordance with the law.

signature of company President, Manager, or Treasurer

Signed and sworn before me this _____ day of _____ 20____ and

I hereby certify that I am not an officer or director of this company. _____
signature of Notary Public

notary seal here

Notary Public in and for the:
 State of _____
 County of _____
 My appointment expires: _____

Instruction Sheet for completing the Consolidated Annual Report

Although these documents may be prepared by the accounting department (or other party within your company); the President, Manager, or Treasurer must review the final document and sign the affidavit. Please remember to have the affidavit notarized.

Name of Company-Please include the licensed name of your company. Do not use any trade names or "dba's."

Location of Main Office – Give the full physical address of the Corporate Headquarters or Main address from which you are completing this form.

Number of Licensed Locations – Total number of offices that held Washington State licenses during 2002.

Number of Offices Covered – Give the total number of locations (licensed or not) that are included in this report.

1a. Principal balance of all loans on December 31, 2001: This is the total number of loans and total dollar amount of loans originated, funded, or purchased that were outstanding on and off the company's balance sheet as of December 31, 2001. Your accounting department should have these reports. (If you filed a report with Washington State last year, you may get this figure from line 3 of last year's consolidated annual report).

1b. Average size of principal balances of loans as of last year's report: This is the average size of all loans outstanding on December 31, 2001. Divide the amount you entered on line 1a "Dollar Amount" column by the number you entered in line 1a "Number of Accounts" column to get the average dollar amount.

$$\text{Average dollar amount} = \text{Dollar Amount 1a} / \text{Number of Accounts 1a}$$

2a. Unsecured or Secured by Security Agreement: This is the number and dollar amount of unsecured loans, or loans secured by security (loans that are secured by personal property) that were originated, funded or purchased during 2002. (Do not include Real Estate loans)

2b. Secured by Real Estate: Loans secured by real estate loans that were originated, funded, or purchased during 2002, under the authority of the Washington Consumer Loan license. At this point there are two scenarios:

- I. If your company didn't hold a Consumer Loan license, would you need a Mortgage Broker license? If yes, this report must include ALL loans (first liens and junior liens) originated or brokered in Washington.
- II. Does your company hold both a Consumer Loan license and a Mortgage Broker license in Washington? If yes, this report need only include those loans made under the Consumer Loan license.

2c. Loans in 2002 with servicing released: Loans originated, funded or purchased in 2002 that your company no longer services (for which your company no longer receives payments on behalf of others). The dollar amount should be the principal balances of the loans, as of the date of sale. The dollar amount entered here should match the dollar amount entered on line 2 of the Annual Assessment Report.

2d. Loans in 2002 with servicing retained: Loans originated, funded or purchased in 2002 that your company still services (your company still receives payments on behalf of others). The value entered here should be the principal balances of the loans on the date of sale during 2002. The dollar amount entered here should be added to the dollar amount entered on line 2(e) of this report, and the total must match the dollar amount entered on line 3 of the Annual Assessment Report.

Instruction Sheet for completing the Consolidated Annual Report – page 2

2e. Loans prior to 2002 with servicing retained: Loans sold prior to 2002 that your company still services (for which your company still receives payments on behalf of others). The dollar amount should be the outstanding balances of the loans as of the date of sale. The dollar amount entered here should be added to the dollar amount entered on line 2d of this report and the total must match the dollar amount entered on line 3 of the Annual Assessment Report.

2f. Total number of portfolio loans that matured and/or were paid off in 2002.

2g. Average size of loans made during 2002. Add the “Dollar Amount” on line 2 (a) and 2 (b), then divide by the total of the “Number of Accounts” on lines 2 (a) and 2 (b).

$$\text{Average size of Loans} = \text{“Dollar Amount” on lines 2a + 2b} / \text{“Number of Accounts” on lines 2a + 2b}.$$

3a. Principal Balance of loans on December 31, 2002: This is the total number of loans and dollar amount of loans originated, funded, or purchased that are outstanding on and off the company’s balance sheet as of December 31, 2002. Your accounting department should have these figures. This dollar amount should match the dollar amount enter on line 1 of the Annual Assessment Report.

3b. Average size of principal balances of loans as of this report date: This is the average size of all loans outstanding on December 31, 2002. Divide the amount you entered on line 3a “Dollar Amount” column by the number you entered on line 3a “Number of Accounts” column to get the average dollar amount.

$$\text{Average dollar amount} = \text{“Dollar Amount” 3a} / \text{“Number of Accounts” 3a}.$$

4. Loans secured by Real Estate that were foreclosed in 2002: The total number and dollar amount of loans secured by real estate, which you foreclosed in 2002. (Foreclosure was completed in 2002.)

5. Loans secured by Real Estate in foreclosure on December 31, 2002: The total number and dollar amount of loans secured by real estate that are in foreclosure as of December 31, 2002. Include all foreclosures prior to 2002.

6. Real Estate loans charged against reserve for loan losses during 2002: This is the number and dollar amount of loans secured by real estate that was charged off as a loss during 2002.

7. All other loans charged against reserve for loan losses during 2002: This is the number and dollar amount of unsecured loans and loans secured by personal property that was charged off as a loss during 2002.

8a. Loans contractually delinquent 30 days or more at the end of 2002: This is the number and dollar amount of loans that are delinquent 30 days or more as of December 31, 2002.

8b. Delinquent Percentage: This is the percentage of loans outstanding that are delinquent. Take the “Dollar Amount” from line 8a and divide by the “Dollar Amount” from line 3a.

$$\text{Delinquent Percentage} = \text{“Dollar Amount ” line 8a} / \text{“Dollar Amount:” Line 3a}$$

Affidavit – signed by company President, Manager, or Treasurer; and notarized

Attachments:

- Actual supporting documentation (eg: balance sheet, trial balance, etc) used to prepare this report
- Annual Assessment Report (even if zero business for Washington during 2002)
- Check made payable to “Washington State Treasurer” (if any assessment is owed)